

Technology and Equipment Bond Issue

What is the Technology and Equipment Bond Issue?

The Council seeks funding for a technology and equipment bond issue to assist the universities expand their technology capabilities and to replace and “refresh” technology and equipment on campuses. The bond issue also will help the Kentucky Virtual University and the Kentucky Virtual Library to replace outmoded systems and will allow the Council to replace its 30-year old data system.

How many Kentucky students, faculty, and staff are served by the program?

This program supports Internet access for 200,633 students and 25,790 faculty and staff members (source: CPE’s fall 2004 data) from the state-supported postsecondary education institutions.

Why is a program like this needed?

The universities and the Council listed over \$120 million in technology-related capital projects in their 2006-12 Six-Year Capital Plan. There is a constant need to “refresh” technology resources and to keep current with new and emerging standards. In 1999, the state funded a \$20 million technology-related bond issue to assist the institutions in replacing old, outdated technology equipment and to upgrade campus networks. The 1999 bond issue, and a related appropriation to the Council’s Technology Initiative Strategic Trust Fund, enabled the institutions to join the Kentucky Information Highway and its related entity, the Kentucky Postsecondary Education Network (KPEN). This same source of funds was used to start the Kentucky Virtual University and the Kentucky Virtual Library. Institutions also received allocations that they could apply to improvements in the technology infrastructures on their campus.

Without this bond issue, students will not have access to the advanced technologies they need to prepare for the jobs and careers of the 21st century.

What is the Council’s request?

The postsecondary education technology and equipment bond issue is \$25 million in FY 2007-08 (the institutional share is \$15 million and the CPE share is \$10 million). Bond proceeds and debt service would be appropriated to the Council in FY 2007-08 and could be subsequently distributed to other entities as the distribution of the bond proceeds becomes known. The annual debt service thereafter is calculated at \$5,035,000 for a seven-year taxable bond issue of \$25 million with debt service reserve included.



Photo source: Kentucky Adult Education

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